

AMENDED IN ASSEMBLY MAY 7, 2009

AMENDED IN ASSEMBLY APRIL 21, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

## ASSEMBLY BILL

**No. 978**

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**Introduced by Assembly Member V. Manuel Perez**

February 26, 2009

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~~An act to add Chapter 3.9 (commencing with Section 7297) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation. An act to add Section 11547.5 to the Government Code, relating to the State Chief Information Officer.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 978, as amended, V. Manuel Perez. ~~Transactions and use taxes: cities: counties: economic development. State Chief Information Officer: duties.~~

*Existing law requires the State Chief Information Officer, until January 1, 2013, to work to improve organizational maturity and capacity in the effective management of information technology, and to establish performance management and improvement processes to ensure state information technology systems and services are efficient and effective.*

*This bill would require the State Chief Information Officer to develop an online master application for businesses to file for state permits and licenses, and work in collaboration with other state agencies to accomplish this duty.*

~~Existing law authorizes various local governmental entities, in accordance with certain requirements and limitations, to adopt ordinances to levy transactions and use taxes pursuant to the~~

~~Transactions and Use Tax Law and to contract with the State Board of Equalization to perform all functions incident to the administrative and operation of the ordinance.~~

~~This bill would additionally authorize the city council of a city and the board of supervisors of a county to impose a transactions and use tax at a rate of 0.125% by the adoption of an ordinance, as specified, if certain conditions are met. Revenues from the tax could be used only for funding economic development within the county, including the construction and acquisition of facilities within the county, as provided.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.~~

*The people of the State of California do enact as follows:*

1     *SECTION 1. The Legislature finds and declares all of the*  
2     *following:*

3     *(a) California's dominance in many economic areas is based,*  
4     *in part, on the significant role small businesses play in the state's*  
5     *\$1.8 trillion economy. Businesses with less than 100 employees*  
6     *comprise more than 98.3 percent of all businesses and are*  
7     *responsible for employing more than 57.9 percent of all workers*  
8     *in the state.*

9     *(b) Small businesses function as economic engines, especially*  
10    *in challenging economic times. During the nation's economic*  
11    *downturn from 1999 to 2003, microenterprises (businesses with*  
12    *less than five employees) created 318,183 new jobs or 77 percent*  
13    *of all employment growth, while larger businesses with more than*  
14    *50 employees lost over 444,000 jobs.*

15    *(c) Regulatory burdens and costs continue to be a major concern*  
16    *for small businesses. For the last 10 years, the federal Small*  
17    *Business Administration has conducted a study that analyzes the*  
18    *costs of federal government regulations on businesses. This*  
19    *research shows that small businesses continue to bear a*  
20    *disproportionate share of the federal regulatory burden. On a per*  
21    *employee basis, it costs about two thousand four hundred dollars*  
22    *(\$2,400), or 45 percent, more for small firms to comply with federal*  
23    *regulations than their larger counterparts.*

24    *(d) While the specific financial impact of state regulations on*  
25    *small businesses is unknown, state agencies are required to*

1 *consider the costs of adopting regulations on the California*  
2 *economy, in general, and on small business, specifically.*

3 *(e) Given these difficult economic times for small businesses,*  
4 *it is fair and appropriate to expend resources to reduce the cost*  
5 *of applying for state administered licenses and permits by*  
6 *developing an online master application.*

7 *SEC. 2. Section 11547.5 is added to the Government Code, to*  
8 *read:*

9 *11547.5. (a) The State Chief Information Officer shall develop*  
10 *an online master application for businesses to file for state permits*  
11 *and licenses, and work in collaboration with the Secretary of State*  
12 *and the Secretary of Consumer Services to accomplish this duty.*  
13 *The State Chief Information Officer may delegate the development*  
14 *of the actual application to an appropriate state agency.*

15 *(b) The State Chief Information Officer shall do all of the*  
16 *following:*

17 *(1) Establish the requirements for the initiation of the*  
18 *information technology project.*

19 *(2) Define the resource requirements and proposed technical*  
20 *solution that is in compliance with statewide strategies, policies,*  
21 *and procedures.*

22 *(3) Consult with state agencies during the initial project*  
23 *planning to ensure that project proposals are based on well-defined*  
24 *programmatic needs, clearly identify programmatic benefits, and*  
25 *consider feasible alternatives to address the identified needs of*  
26 *businesses that apply for multiple state licenses and permits over*  
27 *a period of time.*

28 *(4) Work with the Secretary of State and the Secretary of*  
29 *Consumer Services to ensure that boards and commissions have*  
30 *the appropriate technical assistance to use and maintain the online*  
31 *application system.*

32 ~~SECTION 1. Chapter 3.9 (commencing with Section 7297) is~~  
33 ~~added to Part 1.7 of Division 2 of the Revenue and Taxation Code,~~  
34 ~~to read:~~

35  
36 ~~CHAPTER 3.9. CITY AND COUNTY TRANSACTIONS AND USE~~  
37 ~~TAXES: ECONOMIC DEVELOPMENT PROJECTS~~  
38

39 ~~7297. (a) In addition to the tax levied pursuant to Part 1.5~~  
40 ~~(commencing with Section 7200), and any other tax authorized by~~

1 this part, the city council of a city and the board of supervisors of  
2 a county may impose a transactions and use tax for the purposes  
3 described in paragraph (5), by the adoption of an ordinance in  
4 accordance with this part if each of the following conditions are  
5 met:

6 (1) The ordinance imposing the city wide tax is submitted to  
7 and approved by the voters of the city by a two-thirds vote of those  
8 voters voting on the ordinance in accordance with Article 3.7  
9 (commencing with Section 53720) of Chapter 4 of Part 1 of  
10 Division 2 of Title 5 of the Government Code.

11 (2) The ordinance imposing county wide tax is submitted to and  
12 approved by the voters of the county by a two-thirds vote of those  
13 voters voting on the ordinance in accordance with Article 3.7  
14 (commencing with Section 53720) of Chapter 4 of Part 1 of  
15 Division 2 of Title 5 of the Government Code.

16 (3) The ordinance includes an expenditure plan describing the  
17 specific purposes for which the revenues from the tax may be  
18 expended.

19 (4) The tax is imposed at a rate of 0.125 percent for a period  
20 not to exceed eight years.

21 (5) The revenues collected from the tax are used only for funding  
22 economic development projects, including, but not limited to, the  
23 construction and acquisition of facilities within the city or county.

24 (6) The transactions and use tax conforms to Part 1.6  
25 (commencing with Section 7251) including the limitation in Section  
26 7251.1 on the combined rate of all taxes in the city or county  
27 imposed pursuant to that part.

28 (b) The city council or the board of supervisors may impose a  
29 transactions and use tax in any succeeding period not to exceed  
30 eight years per period, if all of the conditions specified in  
31 subdivision (a) are met for that succeeding period.